

Development Service, Inc
Income Statement – Base Year and Projections

	I	II	III
	12/31/2003	Projections	
	Base Year	During Construction	After Construction
<u>Revenue</u> (sewer service)	<u>247,883</u>	<u>321,596</u>	<u>369,134</u>
Other Revenue (contract service)	0	27,120	25,588
Total Revenue	<u>247,883</u>	<u>348,716</u>	<u>394,722</u>
<u>Expenses</u>			
Salaries – Officers	29,466	30,000	30,000
Salaries – Other	17,115	18,000	18,000
Repairs	555	600	600
Taxes	6,126	5,000	5,000
Interest	2,249	8,000	6,000
Depreciation	13,883	23,580	23,580
Treatment Cost	171,500	244,000	280,000
Vehicle Exp	1,109	1,000	1,000
Professional Services	900	3,500	3,500
Utilities	0	0	0
Administration Exp	0	0	0
Other Operating Exp	6,389	1,000	1,000
Rate Case Exp		4,000	4,000
Sludge & Waste Disposal	0	0	0
Telephone	737	800	800
DHEC Fine	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenses	<u>250,029</u>	<u>339,480</u>	<u>373,480</u>
Income before Income Taxes	-2,146	9,236	21,242
Income Taxes	<u>0</u>	<u>1,847</u>	<u>4,248</u>
New Income	<u>-2,146</u>	<u>7,389</u>	<u>16,994</u>

Revenue Note: Tap fee of \$23200 was received in 2003 for Ruby Tuesday's Restaurant. However, because DSI has not otherwise enjoyed income from tap fees in the preceding five years, the tap fee paid in 2003 is not included in revenue figures reported above since it is a non recurring item.

**Development Service, Inc.
Income and Expense Calculations**

<u>Revenue</u>	During Construction	After Construction
Net revenue needed	321,596	369,134
Adjustment for 1.5% uncollectibles	<u>4,897</u>	<u>5,621</u>
Gross revenue	326,493	374,755
1178 Single family equivalent	23.06/mth.	26.48/mth.
Current single family equivalent	18.00/mth.	18.00/mth.
Increase	5.06/mth.	8.48/mth.
% Increase	28.11	47.11
Expenses		
Interest-bases on current debt	8,000	6,000
Depreciation-based on current property	23,580	23,580
Rate case expense estimated @ 12,000 deducted over 3 yrs.	4,000	4,000
Treatment cost-based on amount paid to Bush River after their requested rate increase	244,000	280,000
Taxes-payroll, property, PSC assessments	5,000	5,000
Other operating expenses-vehicle ex., professional services, telephone and other	7,400	7,400
Salaries-officers	Base Year	
Keith G. Parnell	29,466	30,000
Salaries-others		
Office staff	17,116	18,000